

Message Text

CONFIDENTIAL

PAGE 01 STATE 283059

70

ORIGIN NEA-10

INFO OCT-01 ISO-00 TRSE-00 NSF-01 HEW-02 EB-07 COME-00

INT-05 LAB-04 SIL-01 AGR-05 AID-05 DODE-00 CIAE-00

NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00 PM-03 H-01

INR-07 L-02 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

FRB-01 XMB-02 OPIC-03 CIEP-01 OMB-01 STR-01 CEA-01

/089 R

DRAFTED BY TREAS:REWILLIAMS/NEA/ARP:RWAHERNE/HLK

APPROVED BY NEA - SIDNEY SOBER

TREAS:GLPARSKY NSF:WWETMORE (SUBS)

NEA/BLC - MR. DRAPER HEW:AKAHN(SUBS)

NEA/ARP - MR. DICKMAN

EB/CBA - JBILLER(SUBS)

COMM:JHEARN (SUBS)

INTERIOR:RSTURGILL(SU0S)

LABOR:DLAZORCHICK(SUBS)

AGRIC:CDOKE(SUBS) AID/BRICHARDSON (SUBS)

DOD/ISA/NESA:ESCHAEFER (SUBS)

----- 008566

O 282026Z DEC 74 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA NIACT IMMEDIATE

C O N F I D E N T I A L STATE 283059

E.O. 11652: GDS

TAGS:EAID, US, SA

SUBJECT: JOINT ECONOMIC COMMISSION: PARSKY GROUP VISIT
AND PROPOSED AGENDA ITEMS

REF: (A) JIDDA 7269; (B) STATE 277712; (C) JIDDA 7464

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 283059

1. AS FOLLOW-UP TO SECRETARY SIMON'S LETTER TO MINISTER OF STATE ABA AL KHAIL (REF B), TREASURY ASSISTANT SECRETARY PARSKY AND A SMALL GROUP ARE PREPARING TO VISIT SAUDI ARABIA JANUARY 5-6 IN ORDER TO REVIEW AGENDA FOR FORTHCOMING JOINT COMMISSION MEETING, AND TO DISCUSS OTHER RELEVANT MATTERS WITH SAG OFFICIALS AND EMBASSY. GROUP SHOULD MEET WITH SOLAIM AND/OR HIS SUCCESSOR, IF NAMED, AND SUCH OTHER SAUDI REPRESENTATIVES AS YOU DEEM APPROPRIATE; DISCUSSIONS CAN BE HELD IN RIYADH AND/OR JIDDA ACCORDING TO SAUDI PREFERENCE.

2. THERE FOLLOWS A PROPOSED AGENDA FOR THE JOINT COMMISSION MEETING WHICH SHOULD ALSO SERVE AS A GENERAL GUIDELINE FOR THE PARSKY GROUP'S DISCUSSION; AGENDA ITEMS ARE IDENTIFIED AS SUCH, AND ARE FOLLOWED BY COMMENTS INTENDED BOTH TO EXPLAIN WHAT WE HAVE IN MIND FOR THE JOINT COMMISSION DIS-

CUSSION OF A PARTICULAR ITEM, AND TO HIGHLIGHT WHAT WE THINK PARSKY GROUP'S VISIT CAN ACCOMPLISH. YOU MAY WISH TO EXCERPT THE AGENDA ITSELF FROM THIS MESSAGE AND PROVIDE IT TO THE SAG.

3. AGENDA FOR THE FIRST MEETING OF THE SAUDI-U.S. JOINT ECONOMIC COMMISSION:

--ITEM A: OVERVIEW OF JOINT ECONOMIC COOPERATION BY THE CO-CHAIRMEN. COMMENT - PURPOSE OF THIS ITEM IS TO ENCOURAGE A FRANK EXCHANGE ON WHAT THE COMMISSION HAS ACCOMPLISHED THUS FAR, WHAT THE NEXT STEPS SHOULD BE, AND WHAT WEAKNESSES THERE HAVE BEEN; AND TO ATTEMPT TO REACH A CONSENSUS OF BOTH PARTIES ON WHAT THE FUTURE ROLE OF EACH OUGHT TO BE. IT IS PARTICULARLY IMPORTANT THAT WE HAVE A CLEARER UNDERSTANDING OF JUST WHAT THE SAG EXPECTS OF THE USG VIA THE JOINT COMMISSION MECHANISM; WE RECOGNIZE THAT THEY THEMSELVES ARE IN THE PROCESS OF DISCUSSING THAT QUESTION, AND MAY NOT HAVE REACHED A DEFINITIVE CONCLUSION. PARSKY GROUP'S VISIT COULD PLAY A KEY ROLE IN MOVING BOTH GOVERNMENTS TOWARD AGREEMENT ON WHAT THE COMMISSION ITSELF SHOULD DO; WHAT THE RESPONSIBILITIES OF THE SEVERAL WORKING GROUPS SHOULD

CONFIDENTIAL

PAGE 03 STATE 283059

BE; ORGANIZATION AND FINANCIAL ARRANGEMENTS; AND SO FORTH. THE JANUARY 5-6 DISCUSSIONS WILL BE EXPLORATORY AND DIRECTED TOWARD LAYING THE GROUNDWORK FOR THE JOINT COMMISSION; WE DO NOT ENVISAGE FINAL DECISIONS BEING REACHED AS A RESULT OF THESE TALKS.

--ITEM B: PROGRESS REPORTS OF THE WORKING GROUPS, INCLUDING MAJOR ACTION PROPOSALS. COMMENT: THE JUNE

JOINT STATEMENT PROVIDED THAT THE FIRST MEETING OF THE JOINT COMMISSION WOULD REVIEW THE RECOMMENDATIONS AND PLANS OF THE WORKING GROUPS, AND THERE ARE, AS YOU KNOW, A NUMBER OF SPECIFIC ACTION PROPOSALS WHICH HAVE BEEN FORMULATED BY THE GROUPS. DURING THE PARSKY VISIT, WE THINK SOME PROGRESS CAN BE MADE TOWARD AGREEMENT ON WHICH OF THESE PROPOSALS SHOULD BE PRESENTED TO THE JOINT COMMISSION ITSELF FOR DECISION AND FOR APPROVAL OF SPECIFIC ACTION PLANS. INTERAGENCY REVIEW OF THESE PROPOSALS IS NOW UNDERWAY HERE, AND GROUP SHOULD BE IN A POSITION TO DISCUSS SPECIFICS ON SUCH ITEMS AS: AN ACTION PROGRAM BASED ON THE VARIOUS EXPERTS' REPORTS; A MANPOWER ORGANIZATION PROPOSAL; AND THE VOCATIONAL TRAINING AND EDUCATION REPORTS. THIS AGENDA ITEM COULD ALSO INCLUDE DISCUSSION OF THE POINTS SUGGESTED BY SOLAIM AND NOT COVERED ELSEWHERE (HIGHER EDUCATION; OPIC; STATISTICS; TARIFF POLICY; SUPPLY OF BASIC COMMODITIES; AND SAUDI EXPORT OF PETROLEUM PRODUCTS). GROUP'S VISIT SHOULD HELP US TO REACH A DECISION ON WHETHER ANY OR ALL OF THESE ARE WORTH PURSUING IN THE JOINT COMMISSION MEETING.

-- ITEM C: ECONOMIC DEVELOPMENT IMPLEMENTING MECHANISMS.
COMMENT: WE ACCEPT THE FACT THAT THE SAUDIS HAVE, FOR ALL PRACTICAL PURPOSES, REJECTED THE DEVELOPMENT ENTERPRISE. WITHOUT RETURNING TO THAT CONCEPT AS SUCH, HOWEVER, WE THINK IT WOULD BE WORTHWHILE FOR GROUP TO INFORMALLY DISCUSS WITH SAUDIS WHAT WE SEE AS A CLEAR NEED FOR IMPROVED IMPLEMENTING MECHANISMS IN THEIR DEVELOPMENT EFFORT. SOME POSSIBILITIES WORTHY OF CONSIDERATION ARE A DEVELOPMENT BANK, AN OPERATIONAL JOINT INDUSTRIAL DEVELOPMENT COUNCIL, SOME SORT OF DEVELOPMENT CORPORATION, OR A CLEARER DELEGATION OF IMPLEMENTING
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 283059

AUTHORITY TO EXISTING SAUDI INSTITUTIONS. WE HOPE TO HAVE FRANK AND CONCEPTUAL DISCUSSION OF THE IMPLEMENTATION PROBLEM DURING THE JANUARY 5-6 TALKS; IN ADDITION WE THINK THREE SPECIFIC ORGANIZATIONAL ISSUES SHOULD BE DISCUSSED BOTH AT THAT TIME, AND DURING THE JOINT COMMISSION MEETING:

(1) DESIRABILITY AND FEASIBILITY OF AN ECONOMIC COUNCIL
-- THE JOINT STATEMENT CALLED ON THE TWO GOVERNMENTS TO CONSIDER SPONSORING AN ECONOMIC COUNCIL COMPOSED OF PROMINENT AMERICAN AND SAUDI PARTICIPANTS FROM THE PRIVATE SECTOR TO WORK TOGETHER TO FURTHER COOPERATION. GROUP CAN INFORMALLY EXPLORE SAUDI INTEREST IN THIS CONCEPT TO DETERMINE WHETHER, AND ON WHAT BASIS, IT OUGHT TO BE PURSUED FURTHER.

(2) ROLE OF THE CORPS OF ENGINEERS IN CIVILIAN SECTOR --
WE ARE DISCUSSING HERE THE FEASIBILITY AND GROUND RULES
FOR POSSIBLE ROLE OF THE CORPS OF ENGINEERS IN DEVELOP-
ING SAUDI INFRASTRUCTURE, AND WE ARE AWARE OF THE MORE
LIMITED ROLE THE SAUDIS NOW SEE FOR THE CORPS. WE
NEED TO EXPLORE THIS SUBJECT FURTHER DURING JANUARY 5-6
TALKS TO DETERMINE PRECISE NATURE OF SAUDI REQUIREMENTS
AND DESIRES.

(3) JOINT COMMISSION PERSONNEL IN RESPECTIVE CAPITALS
-- KNOWLEDGEABLE OFFICIAL REPRESENTATIVES IN RIYADH
AND WASHINGTON, RESPONSIVE TO THE JOINT COMMISSION,
COULD PLAY AN IMPORTANT ROLE IN BETTER DEFINING AND
SPEEDING UP DEVELOPMENT ACTIVITY IN SAUDI ARABIA.
FORTHCOMING PREPARATORY DISCUSSIONS COULD EXPLORE THIS
QUESTION WITH THE OBJECTIVE OF PREPARING DECISIONS FOR
THE JOINT COMMISSION.

-- ITEM D: TECHNICAL COOPERATION AGREEMENT AND RELATED
PROCEDURES. COMMENT: FORMALIZATION OF THE TCA IS
ESSENTIAL FOR A NUMBER OF MAJOR COMMISSION ACTIVITIES
TO BE MOVED FORWARD PROMPTLY. WE ARE HOPEFUL SAG WILL
APPROVE TCA FOR SIGNATURE AT EARL,EST POSSIBLE DATE.
IF AGREEMENT IS NOT APPROVED IN TIME FOR JANUARY 5-6
MEETINGS, IT SHOULD AT LEAST BE POSSIBLE TO AIR AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 283059

DEAL WITH ANY PROBLEMS SAUDIS HAVE WITH THE TEXT OF
THE AGREEMENT, AND TO GET A REASONABLE ESTIMATE OF WHEN
THE TCA WILL BE APPROVED. IF SUBSTANTIAL DELAYS APPEAR
LIKELY, GROUP WILL WANT TO DISCUSS, AND HOPEFULLY
AGREE WITH SAUDIS ON, INTERIM FUNDING ARRANGEMENTS. WE
ARE CURRENTLY WORKING TO GET INTERAGENCY AGREEMENT ON
STANDARDIZED COSTING PROCEDURES, AND MAY BE IN A
POSITION TO DISCUSS SPECIFICS BY JANUARY 5.

-- ITEM E: SET DATES AND SITE FOR SECOND JOINT
COMMISSION MEETING, AND AGREE ON PROGRAM FOR WORKING
GROUP ACTIVITIES. COMMENT: DISCUSSION UNDER AGENDA
ITEMS A AND B WILL LEAD TO CONCLUSIONS AS TO FUTURE
SCHEDULE AND PACE OF COMMISSION AND WORKING GROUP
ACTIVITIES.

-- ITEM F: JOINT STATEMENT AND SIGNING OF SUMMARY
MINUTES. COMMENT: GROUP WILL WANT TO DISCUSS MODALITIES
OF FORMALIZING RESULTS OF JOINT COMMISSION MEETING.

4. WE OF COURSE WELCOME SAUDI COMMENTS ON THE FOREGOING,
AND ANY ADDITIONAL ITXES THEY MAY WISH TO ADD TO AGENDA.

RECOGNIZE YOU ARE NOT LIKELY TO HAVE ANY DETAILED REACTION BEFORE JANUARY 5 FROM SAG, BUT WE WOULD WELCOME ANY EMBASSY COMMENTS TO ASSIST PREPARATIONS FOR PARSKY VISIT.

5. OUR CURRENT THINKING IS THAT PARTY WILL INCLUDE PARSKY, HIS DEPUTY, LEWIS BOWDEN AND TWO OTHER TREASURY SUPPORT STAFF; DEPUTY ASSISTANT SECRETARY BILLER AND NEA DIRECTOR FOR BILATERAL COMMISSIONS MORRIS DRAPER; QUENTIN WEST, ARS DIRECTOR, USDA; AND CHARLES HOSTLER, COMMERCE DEPUTY ASSISTANT SECRETARY. SEPTTEL WITH EXACT COMPOSITION OF PARTY, TRAVEL PLANS AND ADMINISTRATIVE DETAIL WILL FOLLOW. BROWN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, TECHNICAL ASSISTANCE, COMMITTEES, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 28 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE283059
Document Source: CORE
Document Unique ID: 00
Drafter: REWILLIAMS/NEA/ARP:RWAHERNE/HLK
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740376-0796
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974126/aaaaaerz.tel
Line Count: 236
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 74 JIDDA 7269, 74 STATE 277712, 74 JIDDA 7464
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 26 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 AUG 2002 by boyleja>; APPROVED <30 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JOINT ECONOMIC COMMISSION: PARSKY GROUP VISIT AND PROPOSED AGENDA ITEMS
TAGS: EAID, US, SA, (PARSKY)
To: JIDDA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005